

# FISCAL NOTE

**Bill #:** SB0307

**Title:** Revise lottery laws and limit expansion

**Primary**

**Sponsor:** Duane Grimes

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
Other	(\$168,000)	(\$168,000)
<b>Revenue:</b>		
General Fund	(\$32,000)	(\$32,000)
Other	(\$168,000)	(\$168,000)
<b>Net Impact on General Fund Balance:</b>	<b>(\$32,000)</b>	<b>(\$32,000)</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	<b>X</b>	Significant Local Gov. Impact		<b>X</b>	Technical Concerns
	<b>X</b>	Included in the Executive Budget		<b>X</b>	Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

1. In the opinion of the Montana Lottery officials, the only lottery games SB 307 prohibits, that are not already prohibited by either federal or state law, are certain scratch ticket games that “represent” games currently prohibited. Historically, there have been two scratch games a year that have been introduced which would now be prohibited by SB 307. The annual gross revenue contributed by these games is about \$400,000.
2. The scratch games SB 307 prohibits are games that some players specifically look to play. Lottery staff would attempt to design games to replace the prohibited games, but it is uncertain that such replacement games will capture all the revenue that would have been spent by these players.

(continued)

3. Data does not exist that can provide an accurate estimate for reduction in revenue. It is believed that some revenue will be lost, but not 100%. For fiscal note presentation, it is assumed that 50% of the revenues will be lost.
4. Annual lottery fund expenses associated with the scratch games are about \$336,000 and pay for prizes, retailer commission, ticket printing, and on-line vendor fees.
5. All lottery net revenue is transferred to the general fund.

FISCAL IMPACT:

	<u>FY2000</u> <u>Difference</u>	<u>FY2001</u> <u>Difference</u>
<u>Expenditures:</u>		
Operating Expenses	(\$168,000)	(\$168,000)
<u>Funding:</u>		
Proprietary (06)	(\$168,000)	(\$168,000)
<u>Revenues:</u>		
General Fund (01)	(\$32,000)	(\$32,000)
Proprietary (06)	(168,000)	(168,000)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$32,000)	(\$32,000)
Proprietary (06)	0	0